



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	SB0113	<b>Title:</b>	State land fuel reduction pilot program
<b>Primary Sponsor:</b>	Keane, Jim	<b>Status:</b>	As Amended

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns   |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### **FISCAL SUMMARY**

	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>	<b><u>FY 2012 Difference</u></b>	<b><u>FY 2013 Difference</u></b>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$510,146	\$510,146	\$522,900	\$535,972
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

### **Description of fiscal impact:**

SB 113 directs the Department of Natural Resources (DNRC) to implement a mechanized fuels reduction pilot program on state lands within the wildland-urban interface. Under current law, DNRC manages the state trust land within the wildland-urban interface to generate revenue for the trust beneficiaries. Current management includes timber sales and forest improvement projects. The pilot project would cost approximately \$500,000 per year and is assumed to be paid from the federal special revenue funds, should they be available.

### **FISCAL ANALYSIS**

#### **Assumptions:**

1. For fiscal note purposes it is assumed that the pilot project would begin in FY 2010 and include approximately 625 acres of state trust land. Similar projects would be implemented in FY 2011 – 2013.
2. Mechanized fuel reduction is estimated to cost \$800 per acre, depending on site conditions. Total costs for FY 2010 are estimated to be \$500,000 for contracted services.
3. Similar projects in FY 2011, FY 2012, and FY 2013 would each cost \$500,000 in contracted services. In FY 2012 and FY 2013, a 2.5% inflation factor was added to the cost.

- In addition to operations costs, a 0.25 FTE would be needed for administration and reporting, which would cost approximately \$10,146 in salary and benefits.
- Revenue into the state special revenue fund from the sources listed in section 2(2)(A)-2(2)(C) cannot be estimated. For purposes of this fiscal note, it is assumed costs would be paid from federal funds. The department would pursue federal grant application possibilities. If the department is unsuccessful, costs would not be incurred.

	<b><u>FY 2010</u></b> <b><u>Difference</u></b>	<b><u>FY 2011</u></b> <b><u>Difference</u></b>	<b><u>FY 2012</u></b> <b><u>Difference</u></b>	<b><u>FY 2013</u></b> <b><u>Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b>FTE</b>	0.25	0.25	0.25	0.25
<b><u>Expenditures:</u></b>				
Personal Services	\$10,146	\$10,146	\$10,400	\$10,660
Operating Expenses	\$500,000	\$500,000	\$512,500	\$525,312
<b>TOTAL Expenditures</b>	<b>\$510,146</b>	<b>\$510,146</b>	<b>\$522,900</b>	<b>\$535,972</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$510,146	\$510,146	\$522,900	\$535,972
<b>TOTAL Funding of Exp.</b>	<b>\$510,146</b>	<b>\$510,146</b>	<b>\$522,900</b>	<b>\$535,972</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$510,146	\$510,146	\$522,900	\$535,972
<b>TOTAL Revenues</b>	<b>\$510,146</b>	<b>\$510,146</b>	<b>\$522,900</b>	<b>\$535,972</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

**Technical Notes:**

- DNRC does not have a best value contracting procedure; the department would use standard state processes for bidding or requests for proposals.
- If HB 154 were to pass, the costs of the pilot project could potentially be paid under Section 2(4) of HB 154.
- Section 2(2)(D) should say money received “from” the federal government, not “by” the federal government.
- Money received from the federal government should be deposited in a federal special revenue fund.

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*Sponsor's Initials*\_\_\_\_\_  
*Date*\_\_\_\_\_  
*Budget Director's Initials*\_\_\_\_\_  
*Date*